

- iii. To provide a payment schedule to NFP with respect to said financing which is subject to NFP's prior approval.
- iv. To obtain an acknowledgement of any lender that no future advances will be made with respect to said mortgage and/or security interests other than collection costs, accruing interest or advances necessary to protect collateral held by lender and that in the event of default with respect to any such mortgage or related lending agreements, NFP and any other person designated by it shall be provided with 30 days' written notice of any default and the opportunity, if the Grower is unable, to cure the same. The acknowledgement of lender shall contain a provision that consent to NFP's exercise of the option shall not be unreasonably withheld.
- c. Regulatory Requirements. A condition of this contract is receipt of prior approval by Grower of any and all necessary environmental and/or regulatory requirements including any county zoning approvals, DNR requirements or permits, the necessary manure hauling permits and/or agreements including manure management plan, and any and all other environmental, zoning or regulatory requirements that would be a precondition for operation of the facility contemplated herein. In addition, Grower shall obtain any waivers of siting requirements as may be required by Iowa Code Chapter 455B and, further, Grower shall adhere to any and all separation distances both with respect to location of the facility and with respect to any acres utilized for field application of manure as may be required by Iowa law.

2. TERM OF CONTRACT.

This contract shall be in effect for a term of 10 years commencing with the execution of this Agreement. Unless sooner terminated by default, this contract shall automatically expire at the end of the term stated herein absent the mutual written agreement of the parties.

3. OBLIGATIONS OF NFP.

- a. Delivery of Pigs. NFP will deliver feeder pigs to Grower for feeding and rearing at the facilities constructed by Grower commencing on or about JANUARY 1, 1994. Feeder pigs delivered to grower shall on average weigh approximately 50 pounds.
- b. At all times NFP shall retain ownership of the pigs and Grower agrees to execute any and all documents that may be necessary to properly make of records and provide notice that NFP and not Grower is the owner of the pigs subject to this contract.
- c. Grower shall execute and deliver to NFP a receipt both with respect to all pigs delivered to Grower's premises for sale or shipment during the term of this Agreement. Grower shall be responsible for any and all shortage in pig numbers. Shortage of pig numbers shall be determined by comparing the difference between pigs received by Grower minus death loss and pigs actually shipped from Grower's facility. Grower shall be liable for and pay to NFP the value of any shortage in pigs. The value of pigs shall be determined by comparing the value of pigs marketed from the same shipment in which the pigs were delivered. NFP reserves the right to deduct such value from subsequent payments due and owing to Grower.
- d. NFP will, (at its cost) provide all feed, medicine, supplements and materials consumed by or placed into the herd and will make appropriate arrangements for the delivery of feed and veterinary services and to provide general instructions with respect to the care and proper